

§ 596.601

student maybe relied upon in determining the applicability of this section.

(b) Nothing in this section authorizes a transaction prohibited by § 596.504(a)(2).

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Subpart F—Reports

§ 596.601 Required records.

Every person engaging in any transaction subject to the provisions of this part must keep a full and accurate record of each such transaction in which that person engages, regardless of whether such transaction is effected pursuant to license or otherwise, and such record must be available for examination for at least 2 years after the date of such transaction.

§ 596.602 Reports to be furnished on demand.

Every person is required to furnish under oath, in the form of reports or otherwise, from time to time and at any time as may be required, complete information relative to any transaction, regardless of whether such transaction is effected pursuant to license or otherwise, subject to the provisions of this part. Such reports may be required to include the production of any books of account, contracts, letters or other papers, connected with any such transaction or property, in the custody or control of the persons required to make such reports. Reports with respect to transactions may be required either before or after such transactions are completed.

§ 596.603 Notification by financial institutions rejecting financial transactions.

Any financial institution rejecting a financial transaction pursuant to this part must provide written notification to the Office of Foreign Assets Control, Compliance Programs Division, U.S. Treasury Department, 1500 Pennsylvania Ave., NW—Annex, Washington, DC 20220, within 10 business days of the rejection of such transaction. The notification shall include a photocopy of the payment or transfer instructions received, the name and address of the transferee banking institution, the amount of the payment or transfer,

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and the name and telephone number of a contact person at the rejecting financial institution from whom records may be obtained.

Subpart G—Penalties

§ 596.701 Penalties.

Attention is directed to 18 U.S.C. 2332d, as added by Public Law 104-132, section 321, which provides that, except as provided in regulations issued by the Secretary of the Treasury, in consultation with the Secretary of State, a United States person, knowing or having reasonable cause to know that a country is designated under section 6(j) of the Export Administration Act, 50 U.S.C. App. 2405, as a country supporting international terrorism, engages in a financial transaction with the government of that country, shall be fined under title 18, United States Code, or imprisoned for not more than 10 years, or both.

Subpart H—Procedures

§ 596.801 Licensing.

(a) *General licenses.* General licenses have been issued authorizing under appropriate terms and conditions certain types of transactions which are subject to the prohibitions contained in this part. All such licenses in effect on the date of publication are set forth in subpart E of this part. It is the policy of the Office of Foreign Assets Control not to grant applications for specific licenses authorizing transactions to which the provisions of an outstanding general license are applicable. Persons availing themselves of certain general licenses may be required to file reports and statements in accordance with the instructions specified in those licenses. Failure to file such reports or statements will nullify the authorization to such person provided by the general license.

(b) *Specific licenses—(1) General course of procedure.* Transactions subject to the prohibitions contained in this part which are not authorized by general license may be effected only under specific licenses.